



# EUROPEAN VALUE-BASED PROCUREMENT CONFERENCE

**Navigating the VBP  
challenges and reaching  
destination**

11 December 2023  
Hotel Le Plaza, Brussels

# EVENT REPORT

Supporting partners



## Introduction

Value Based Procurement (VBP) is an innovative approach to procurement that supports patient-centric, high quality and affordable healthcare. VBP awards contracts on the basis of what really matters to patients and care providers, aiming to improve the outcomes of healthcare delivery in a sustainable way.

By sharing their experiences, stakeholders from across the health sector can speed up the adoption of VBP. The European Value-Based Procurement Conference has become the annual flagship event for bringing people together to exchange ideas. Organised by the Value-Based Procurement Community of Practice with the support of EHPPA, EUREGHA, and MedTech Europe, and moderated by Ingmar de Gooijer, the fifth edition of the conference was held on 11 December 2023. The conference brought 120 people to Hotel le Plaza Brussels from across Europe and beyond, including procurement experts from Canada.

## Summary

The conference addressed the key elements of VBP, from theory to practice. It featured plenary sessions with keynote addresses from renowned experts, and eight break-out sessions dedicated to a wide range of issues including value-based supply, what matter to patient, involving health professionals, legal issues and the role of artificial intelligence in evidence collection.

The number and quality of (pilot) projects has grown in recent years, demonstrating the potential for reimagining procurement with value at its centre. These initiatives have provided inspiration while highlighting some of the challenges that arise when it comes to changing complex systems. One of the key goals for the VBP Community of Practice is to move beyond the point where pilots and case studies are the exception. Instead, the aim is to make this approach standard practice wherever feasible. While the journey continues, speakers and participants expressed a desire to accelerate progress towards the destination.

## Danish lessons: How data-driven procurement is delivering value

Denmark's journey to a value-based procurement model basically began with major public sector reforms in 2007 which also reformed the healthcare procurement system. A more centralised, specialised and professionalised system emerged, with increasing focus on innovation and green procurement from around 2016 onwards. **Lars Dahl Allerup**, CEO of Rethink Value, said the VBP business model requires trust and strong relations between payers, providers and industry; a common culture; transparent ways of capturing value; and an iterative model which can visualise value-creation for all stakeholders.

To support this, a public-private partnership led by Rethink Value received a government grant (€500,000) to develop a dynamic and data-driven software model capable of visualising value in medtech procurement procedures. The consortium applied the PICO<sup>1</sup> principles and developed a national cost database to simulate outcomes before making procurement decisions, and then measured performance during the contract period. 'Suppliers upload product claims and evidence to populate the model, and clinicians and

<sup>1</sup> PICO Principles: Participants/Population, Intervention/Indication, Comparator/Control, Outcome

procurement officers can evaluate the data in our web-based application,' he explained. 'It's a process of dialogue about joint value creation which builds trust by supporting transparency and visualisation of dynamic effects.' The on-line prototype is now operational and, in Q1 2024, training will begin for regional procurement officers in Denmark on how to use it. The Danish health system is now considering extending the project by developing the prototype into a larger and more comprehensive model. The consortium has received multiple requests about exporting the approach to other health systems.

## Value-based supply: a key piece of the puzzle

'If you are going to have a truly value-based healthcare system, all parts of the ecosystem must be aligned,' said **Prof. Hamish Laing** Swansea University and Director of the Value-Based Health & Care Academy. 'The relationship between suppliers and procurers is key to driving the system towards a more value-based approach.' He said there has been a big focus on the requirements of the health system/procurers, but more work is needed to understand supplier readiness to engage successfully in a value-based healthcare environment. By focusing on 8 success factors<sup>2</sup> suppliers can adopt the mindset and skills required to make the most of the opportunities of value-based procurement.

By embracing digital technologies, suppliers can ensure that they use their resources well, divesting from low-value activities and focusing on creating value for customers. In a White Paper<sup>3</sup>, Prof Laing, Nick Rich and James McHale set out four enablers for a digital future:

1. Industry 4.0 which allows rapid prototyping and manufacturing;
2. Better integration of internal teams to support innovativeness;
3. Improved asset management, supply chain and customer responsiveness;
4. New models of supply eg. leasing, usage-based, total pathway management and optimisation.

Prof Laing also highlighted the importance of considering economic and environmental sustainability. By embracing a value-based approach, suppliers could reduce waste and their carbon footprint, while also partnering with customers to drive better use of resources and greener healthcare.

## Break-out sessions

### How to use patient outcome criteria in public tenders

There are several ways of taking patient outcomes into account in a public procurement procedure. For example, a patient-centred approach can be taken when defining the subject of the contract; when writing the specifications of the solution being sought; and when devising the award criteria.

<sup>2</sup> [https://bit.ly/VBS\\_valuewithin](https://bit.ly/VBS_valuewithin)

<sup>3</sup> [https://bit.ly/VBS\\_digital](https://bit.ly/VBS_digital)

However, a tender must allow for fair competition and ensure that criteria are objectively measurable, explained Virginie Dor, an experienced procurement lawyer at CMS in Belgium. In practice, this means that while a tender can include subjective criteria, such as patients' experience of pain or discomfort, this must be measured objectively. It is also crucial that the award criteria are linked to the subject matter of the contract and do not narrow competition.

'Patient outcomes are certainly relevant,' Ms Dor said. 'But you must make sure the process is predictable, transparent, fair, objective and monitored.'

### Healthcare professionals: key to success!

The Catalonia healthcare system was an early adopter of value-based contracting and has pioneered several initiatives that have helped to refine its approach to procurement. For example, the EU-funded RITMOCORE project supported the procurement of innovative solutions to irregular heartbeats, including devices and remote monitoring. The lessons learned from this experience, including the vital role of healthcare professionals in delivering lasting change, have been applied in several subsequent procurement procedures.

During the breakout session, participants used an interactive smartphone app (Wooclap) to share their views on the role of health professionals. There was strong support for engaging with healthcare professionals early and often when developing value-based initiatives. 'We cannot make change without healthcare professionals,' said **Rossana Alessandrello**, AQuAS. That is why the Catalan health system is launching iRAISE, an education programme for health professionals designed to accelerate the transition to high-value care.

**Ramon Maspons Bosch**, AQuAS, said that skills, leadership and incentives are extremely important in value-based projects, with healthcare professionals central to all three. 'Clinician leadership is vital for identifying unmet needs and for ensuring the commitment of organisations.' He said health professionals are also key to creating value propositions and will play a key role in leveraging value-based procurement to address financial and environmental sustainability, as well as health system resilience.

### The role of AI in collecting evidence of value

Demonstrating that a medical technology has an impact on value is currently a highly skilled and time-consuming task. Most organisations store data in silos, often in unstructured formats such as images or audio files, that are ill-suited to analysis. 'We are data rich but very poor in how we utilise data in our industry,' said **Praful Mehta**, CEO of Vamstar. 'The new world requires better data and better systems than we have today.'

There may, however, be a solution on the horizon. Advances in artificial intelligence (AI), particularly large-language models (LLMs), promise to speed up data aggregation, synthesis and analysis on a large scale. For example, by extracting insights from unstructured data contained in electronic health records, AI will unlock evidence of real-world outcomes. AI tools can make systematic literature reviews faster and more complete by identifying new studies contained in databases and registers. The accuracy, sensitivity and specificity of AI's performance is high and improving.

While there are some drawbacks with AI at present, including biased or inaccurate results and the need for stronger governance, the technology is improving very quickly and the medtech industry should prepare to embrace it. 'AI is improving how we track and manage outcomes data by impacting evidence generation, development and management,' Mr Mehta said. 'It can find patterns and connections that are usually hard to decipher and would otherwise take a lot of people and expertise.'

### When the patient is the user: measuring everyday impacts

**Ingela Björholt**, NHE Licence/MedTech20 (Sweden), presented a tool which provides a standardised measure of the impact that medical devices have on patients' everyday lives. 'When patients are the users, they are the experts,' she said. 'Patients want medical devices to support them living just normal lives.' For example, patients have taken on greater responsibility in areas such as diabetes and blood pressure management.

MedTech20<sup>®</sup> consists of 20 questions and was developed through in-depth interviews of health-care professionals and by collecting opinions and preferences of the general population in a series of surveys<sup>4</sup>). Moreover, key stakeholders were consulted through-out the research project to ensure applicability from all relevant perspectives. The questions examine how devices impact patients' Sense of security, Integrity, Social participation and Convenience. The focus is on how technology affects everyday life, rather than on the health status of the patient. MedTech20<sup>®</sup> can thus support companies and healthcare decision-makers in understanding patients' needs beyond the direct medical effects of an intervention.

During the discussion, participants noted that medical devices are largely purchased based on price per item, but value and sustainability are increasingly becoming important. A product that is not used, is a waste of resources, both from the perspective of the environment and costs to the healthcare sector. By putting the emphasis on the importance of making sure patients are both willing and able to use the product, service, and/or solution, procurers can avoid waste.

Dr Björholt said that the concept of measuring the impact of technologies on patients' lives was broadly well received by workshop participants, but she added that participants had limited experience of working with patients. 'This needs to change if patients are to be listened to in the procurement process,' she said. 'The patient voices should be heard, particularly as they are becoming more involved in their own healthcare, as self-monitoring to self-management become more and more common.' If procurers ask for this kind of patient data in a tender, suppliers will find a way to generate this evidence.

### Creating the medtech value proposition

**Rob Geraerds**, Learning Delta, explored the theoretical background and practical applications of value-based healthcare for medtech stakeholders. Four key dimensions were considered: patient outcomes, health economic outcomes, value-based healthcare, and competitive differentiation (how a company's product or service is distinct from what their competitors can offer).

4 Lesén E, Björholt I, Ingelgård A, Olson F. Int J Technol Assess in Health Care 2017;33:463-7

During the workshop discussion, participants noted the urgent need for new approaches to cope with the pressures facing health systems. While it was argued that value-based procurement might not suit all products/services, continuing with the traditional transactional approach is not sustainable. The readiness of healthcare professionals and payers is an important determinant of how quickly health systems can adapt to value-based approaches.

‘Value-based healthcare is a healthcare delivery model in which providers are paid based on patient health outcomes. The right incentives must be in place to make value-based procurement successful,’ Rob Geraerds said. ‘The payer defines attitudes in healthcare. As long as payers persist with a fee-per-service approach, nothing will change.’ However, he said there is potential to make the required changes, with new technologies such as AI having the potential to accelerate change. ‘Everything is there, it’s just a question of being bold and going for it.’

### Designing and implementing a value-based agreement

**Rebecca Sloan** and **Jonathan Pearson-Stuttard**, Lane Clark & Peacock, discussed the design and implementation of Outcomes Based Agreements (OBA). Innovative reimbursement could align incentives of payers and providers around population health, they argued, provided that three key issues are addressed: (1) understanding uncertainty and volatility (2) keeping it simple, and (3) stakeholder engagement.

It is vital to carry out early financial modelling so that all stakeholders can easily understand the potential revenue impacts and variation that might arise with different reimbursement strategies. This would ensure that all parties know the risks involved in the choices they make. The benefit of simplicity arises from the increased clarity and trust that all sides get when considering an OBA.

Engaging stakeholders early is crucial to demonstrating transparency and building trust in the process. Bringing healthcare, legal, data, finance and procurement professionals on board helps to develop a common understanding of the challenge and to agree solutions together.

‘Designing a value-based agreement requires early engagement of stakeholders, quantifying potential options to articulate and discuss potential revenue implications internally, and corresponding volatility, alongside using clear and accessible language to communicate the principles of the agreement,’ said **Rebecca Sloan**.

### Achieving higher outcomes with Value-Based Procurement

It is challenging to move from transactional, volume-based procurement to a model that prioritises patient value metrics and socio-economic impact. **Lars Dahl Allerup**, Rethink Value, provided an in-depth workshop elaborating on the Danish approach and leading group discussions on the readiness of other countries to adopt this model.

Challenges to making this shift include access to measurable data, the need for a common language on the meaning of value, mutual trust and training. Participants highlighted the lack of incentives (in the hospital system, for example) to make savings, and the need to reward overall cost savings to the health service. The need to include hospital financial officers in the discussion, along with the Ministry of Finance, was viewed as a way to take a ‘big picture’ view of how procurement can deliver value to the wider system.

Not all countries are as committed as Denmark is to value-based approaches, and some may not yet have all the data needed to apply the Danish approach in the short term. Even in Denmark, the model continues to be refined. The current prototype focuses on outcome-based performance but could be more focused on patients and sustainability<sup>5</sup>. 'I'd like the next generation of the model to capture patient-centred value even more, and perhaps even measure preventative health and climate impact from healthcare procurement,' Mr Dahl Allerup said. 'The question is what to measure, how to measure it, and how to visualise measured value to create that common language of value.'

### Value-based supply: re-imagining value from within

Developing a value-based approach to healthcare, including procurement, requires changes on all sides. While much of the focus has been on how procurers can change, it is equally important that suppliers adapt to new ways of thinking and working. 'Procurers and suppliers alike need to find different ways to engage with each other,' said Professor **Hamish Laing** of the Value-Based Health & Care Academy. This was echoed by **James McHale** of Mölnlycke Healthcare who co-led this session: 'A successful value-based system needs all parts to align on a common purpose.'

This raises a question: what are the behaviours, skills and strategies suppliers need to support value-based healthcare? To answer this, the workshop leaders surveyed 110 conference participants from 22 countries in advance of the meeting. The survey found that 72% of respondents thought value-based supply was very important or critical for their organisation, while 89% said it should be very important or critical.

This was complemented by facilitated group work during the breakout session during which participants discussed the qualities and characteristics required to engage in value-based partnerships. In a separate task, participants worked together to define what it means to be a value-based supplier.

It is clear there is a healthcare system need for suppliers to focus on their internal systems and structures to deliver value-based healthcare, James McHale noted. The Value-based Supply workshops was an opportunity for pre-defined criteria to be validated, challenged and enhanced to support the co-creation of the first industry-focused value-based framework. There was a strong consensus that the key gateway to value-based supply is 'visible Executive leadership.' This top-down enabler offers resources, opportunities and incentives for colleagues to support system move from volume/outputs to value/outcome. The results of the workshop will inform a white paper to be published in early 2024.

## Conclusions & next steps

The event highlighted the value of bringing stakeholders together to exchange experience and best practice. By building a Community of Practice (CoP) and engaging through public private partnerships and EU initiatives, suppliers and procurement bodies can catalyse progress.

<sup>5</sup> Rethink Value will publish a White Paper in early 2024 entitled: The case for green Value-Based Healthcare enhanced by procurement.

**Danny Havenith**, Chair of the European Health Public Procurement Alliance (EHPPA), highlighted Procure4Health<sup>6</sup>, an EU project bringing together 60 procurers from 22 countries. One of the six work packages of Procure4Health focuses on value-based procurement. 'We also want to dynamise the Value-Based Procurement Community of Practice by holding short webinar sessions in 2024 to exchange good practices,' he said. 'We are not alone when it comes to value-based procurement – we are the community of practice. The future starts now.'

**Giovanni Gorgoni**, President of EUREGHA, the network of regional and local health authorities, highlighted his organisation's manifesto<sup>7</sup> for incoming EU legislators. The document calls for a strong European Health Union with prevention at its heart, and for a move towards 'value-based transition' in healthcare. 'This is the only real paradigm for making a European Health Union happen,' he said. 'Regions have the economies of scale and efficiency of data to deliver value-based initiatives.'

For more, [visit the Value-Based Procurement Community](#)

<sup>6</sup> [Procure4Health – Health innovation procurement community](#)

<sup>7</sup> [A EUREGHA Manifesto for 2024 and beyond](#)